

**THE KANSAS ACADEMY OF SCIENCE INC.  
CONFLICT OF INTEREST POLICY**

Section 1: Purpose. The purpose of the conflict of interest policy is to protect **The Kansas Academy of Science Inc.'s** ("KAS") interests when entering into a transaction or arrangement that could A) personally benefit a **KAS** officer or director, or B) result in a transaction that confers an excessive benefit to a contracting party. This policy is intended to supplement, but not to replace, any applicable state and federal laws governing conflicts of interest.

Section 2: Interested Person. Any director, principal officer, or committee member of the **KAS** who has a direct or indirect financial interest is an interested person.

Section 3: Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- A. An ownership or investment interest in any entity with which the **KAS** has a transaction or arrangement;
- B. A compensation arrangement with the **KAS** or with any entity or individual with which the **KAS** has a transaction or arrangement; or
- C. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the **KAS** is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as substantial gifts or favors. A financial interest is not necessarily a conflict of interest.

Section 4: Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the **KAS's** Board of Directors ("Board") considering the proposed transaction or arrangement.

Section 5: Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after discussion with the interested person, the interested person shall leave the **KAS's** Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining **KAS** Board members shall decide if a conflict of interest exists.

Section 6: Procedures for Addressing the Conflict of Interest.

- A. An interested person may make a presentation to the **KAS** Board, but after the presentation, the interested person shall leave the meeting during the discussion of, and the vote upon, the transaction or arrangement involving the possible conflict of interest.

- B. The chairperson of the **KAS** Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- C. After exercising due diligence, the **KAS** Board shall determine whether the corporation could obtain with reasonable efforts a more advantageous transaction or arrangement that would not give rise to a conflict of interest.
- D. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the disinterested **KAS** directors shall determine by a majority vote whether to proceed with the transaction or arrangement, basing its decision upon the following criteria: whether the transaction or arrangement is 1) in the **KAS's** best interest, 2) for the **KAS's** own benefit, and 3) fair and reasonable.

Section 7: Violations of the Conflicts of Interest Policy.

- A. If the **KAS** Board has reasonable cause to believe a member has failed to disclose actual or potential conflicts of interest, it shall inform the member of the basis for the belief and afford the member an opportunity to explain the alleged failure to disclose.
- B. If after hearing the member's response and making further investigation as warranted by the circumstances, the **KAS** Board determines the member has failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 8: Records of Proceedings. The minutes of the **KAS** Board and all committees shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, action taken to determine whether a conflict of interest was present, and the **KAS** Board's decision as to whether a conflict of interest in fact existed.
- B. The names of the persons who were present, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 9: Compensation.

- A. A member of the **KAS** Board, who receives compensation (directly or indirectly) from the **KAS** for services, is precluded from voting on matters pertaining to that member's compensation.

- B. A member of any committee, whose jurisdiction includes compensation and who receives compensation (directly or indirectly) from the **KAS** for services, is precluded from voting on matters pertaining to that member's compensation.
- C. No voting member of the **KAS** Board or any committee, whose jurisdiction includes compensation and who receives compensation (directly or indirectly) from the **KAS**, is prohibited from providing information to the **KAS** Board or any committee regarding compensation.

Section 10: Annual Statements. Each director, officer, and committee member of the **KAS** shall annually sign a statement affirming that he/she:

- A. Has received a copy of the conflicts of interest policy;
- B. Has read and understands the policy;
- C. Has agreed to comply with the policy; and
- D. Understands that the **KAS** is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Section 11: Periodic Reviews. Periodic reviews shall be conducted to ensure that the **KAS** operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status. The periodic reviews shall, at a minimum, address the following subjects:

- A. Whether compensation arrangements and benefits are reasonable (based on competent survey information) and the result of arm's length bargaining.
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the **KAS's** written policies, are properly recorded, reflect reasonable payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 12: Use of Outside Experts. When conducting the Section 11 periodic reviews, the **KAS** may use outside advisors. If outside experts are used, their involvement shall not relieve the **KAS** Board of its responsibility to ensure that periodic reviews are conducted.

SECRETARY'S CERTIFICATION

I, the undersigned, certify:

That I am the duly-elected Secretary of **The Kansas Academy of Science Inc.** and that this policy constitutes the Conflict of Interest Policy of **The Kansas Academy of Science Inc.** duly adopted by the Board of Directors on the 21st day of February, 2015.

ACKNOWLEDGEMENT:

I, the undersigned, hereby acknowledge that I have read and understand the preceding Conflict of Interest Policy of **The Kansas Academy of Science Inc.**

NAME: San H. Leung DATE: 5/26/15